

FISCAL NOTE

HB 494 - SB 1441

March 26, 2001

SUMMARY OF BILL:

- Provides that when a municipality has paid the cost of care or treatment of an injury or illness, it has the rights of recovery of the insured against any person for such costs.
- Specifies that upon accepting medical assistance from the municipality, the insured shall be deemed to have assigned the right of recovery from a third party to the municipality.
- Authorizes municipalities to employ attorneys to recover subrogation interests.
- Requires a plaintiff's attorney to contact a municipality before the entry of judgment in a personal injury case to determine if the municipality has a subrogation interest and provides for the trial judge to calculate the amount of the interest of the municipality and incorporate the finding into the final judgment.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$100,000/Permissive
Increase Local Govt. Expenditures - Less than \$100,000/Permissive

Estimate assumes:

- local governments choosing to seek recovery of costs from third parties under the provisions of the bill will experience an increase in revenues from recovery of such costs. This increase is estimated to exceed \$100,000 statewide.
- an increase in expenditures for the legal expenses associated with such recovery estimated to be less than \$100,000 based on some attorney fees being recoverable under the provisions of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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